HAWAI') JEATE HEALTH PLANNING AND LEVELOPMENT AGENCY

RECEIVED

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM 26 Application Number: Date of Receipt: APPLICANT PROFILE Project Title: InVision, LLC: Addition of 2nd MRI 1010 S. King Street, Suite 110 - Honolulu, HI 96814 Project Address: Applicant Facility/Organization: InVision, LLC Name of CEO or equivalent: Eric Hannum Title: President 1010 S. King Street, Suite 109 - Honolulu, HI 96814 Address: Fax Number: 593-1018 Phone Number: 277-6816 Contact Person for this Application: Michael Robinson Title: Executive Director - Government Relations Address: c/o Hawai'i Pacific Health Partners 55 Merchant Street, 26th Floor, Honolulu, HI 96813 Phone Number: (808) 535-7124 Fax Number: (808) 535-7111 CERTIFICATION BY APPLICANT I hereby attest that I reviewed the application and have knowledge of the content and the information contained herein. I declare that the project described and each statement amount and supporting documentation included is true and correct to the best of my knowledge and belief. Signature Date President Eric Hannum

Name (please type or print)

Title (please type or print)

1. TYPE OF ORGANIZATION: (Please check all applicable)

Public Private State Sta	12 MAY 25 P1 26
Non-profit For-profit	X
Individual	ST HITH PLNG BOEV. AGENCY
Corporation	- AGENCY
Partnership Limited Liability Corporation (LLC)	
Limited Liability Partnership (LLP)	
Other:	
	Man Age

2. PROJECT LOCATION INFORMATION

A. Primary Service Area(s) of Project: (please check all applicable)

Statewide:	
O`ahu-wide:	X
Honolulu:	X
Windward O`ahu:	
West O`ahu:	-
Maui County:	
Kaua`i County:	
Hawai`i County:	

- 3. **DOCUMENTATION** (Please attach the following to your application form):
 - A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent).
 - [See ATTACHMENT "A"]
 - B. A listing of all other permits or approvals from other government bodies (federal, state, county) that will be required before this proposal can be implemented (such as building permit, land use permit, etc.).
 - Building Permit, City & County of Honolulu
 - C. Your governing body: list by names, titles and address/phone numbers
 - [See ATTACHMENT "B"]
 - D. If you have filed a Certificate of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:
 - Articles of Incorporation: [see ATTACHMENT C]
 - By-Laws: N/A
 - Partnership Agreements: N/A
 - Tax Key Number: 2-1- 42- 10, 23 and 24

TYPE OF PROJECT. This section helps our reviewers understand what type of 4. project you are proposing. Please place an "x" in the appropriate box. NO 13 22 YES

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	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$7.55 million)	Change in Service AGENCY	Change in Beds
Inpatient Facility					
Outpatient Facility		(X)		(X)	
Private Practice					

5. BED CHANGES. Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

- NOT APPLICABLE (N/A) -

Type of Bed	Current Total	Bed	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
N/A	N/A		N/A	N/A

6. PROJECT COSTS AND SOURCES OF FUNDS

A. List	All Project Costs: 12 MAY 29 A10 :48	AMOUNT:
1.	Land Acquisition ST HLTH PLNG	N/A
2.	Construction Contract & DEV. AGENCY	\$ 633,000
3.	Fixed Equipment	\$1,496,550
4.	Movable Equipment	\$ 35,000
5.	Financing Costs	N/A
6.	Fair Market Value of assets acquired by lease, donation, etc.	\$ 168,190
7.	Other:	\$N/A
	TOTAL PROJECT COST:	\$2,332,740
B. Sour	ce of Funds	
1.	Cash	\$ 836,190
2.	State Appropriations	
3.	Other Grants	
4.	Fund Drive	
5 .	Debt	\$1,496,550
		. , ,
6.	Other: (fair market value of acquisition)	<u>\$</u>

7. CHANGE OF SERVICE: If you are proposing a change in service, then please briefly list what services will lab add do do diffed. Be sure to include the establishment of a new service or the addition of a new location of an existing service. Please reference the Certificate of Need Rules Section 11-186-5 for the categories of services. If you have unable to determine which category best describes your project, please consult with agency staff.

This application request is to provide an additional 3T MRI scanner to meet InVision's current and future demand for services.

- 8. **IMPLEMENTATION SCHEDULE:** Please present a projected time schedule for the completion of this project from start to finish. Include all of the following items that are applicable to your project:
 - a) Date of site control for the proposed project: August 1, 2012
 - b) Dates by which other government approvals/permits will be applied for and received: September 1, 2012
 - c) Dates by which financing is assured for the project: N/A
 - d) Date construction will commence: August 15, 2012
 - e) Length of construction period: 6 weeks
 - f) Date of completion of the project: September 30, 2012
 - g) Date of commencement of operation: October 1, 2012

Please remember that the Agency does monitor the implementation of Certificates approved. Non-implementation of a project as described in your application may result in a fine and/or withdrawal of the certificate of need.

9. EXECUTIVE SUMMARY: Please present a brief summary of your project. In addition, provide a description of how your project meets each of the certificate of need criteria listed below. If a new 200 all of plog 6 sed, please attach an easy to read map that shows your project site.

InVision, LLC (InVision) seeks approval to interest in the additional MRI scanner will improve patient access and meet the growing demands placed on our current machine due to increasing patient demand. InVision currently has a 3.0T MRI scanner in place providing MRI services. The proposed additional MRI scanner is an Open bore 3.0 Telsa MRI scanner which will improve patient comfort, provide more accurate imaging, and more efficient service delivery for our patients. The suite where the existing machine is located at 1010 S. King Street, Honolulu, HI will be expanded to accommodate the new machine.

a) Relationship to the State of Hawaii Health Services and Facilities Plan.

First, by providing and improving additional imaging capabilities for Honolulu patients closer to home, this project is consistent with the goal and objective of the State of Hawai'i Health Services and Facilities Plan (HSFP) to "increase cost effective access to necessary health care services" and to "promote regionalization of services where appropriate" (Chapter 1, HSFP 2009).

Second, the proposed addition of an MRI scanner is also consistent with the established standards of service thresholds for the project's service area. For the expansion of existing MRI units/services, the stated HFSP threshold is that "....the provider's utilization is an average of at least 3,200 MRI procedures per year per unit" (Chapter 2, HSFP). The utilization of INVISION's existing MRI unit was 6,351 in 2011 and is currently 6,682 (annualized) for 2012. This current utilization exceeds the HFSP thresholds by approximately 108%.

Third, as MRI scanning technology is one of the most useful tools physicians utilize to make an accurate diagnosis to determine the appropriate treatment for patients – including the elderly - this project is also consistent with both the Statewide Health Coordinating Council (SHCC) goals to "...ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost" (Chapter 3, HSFP 2009) and the Honolulu Subarea Concil (HSAC) goals to "...control escalating costs in the senior care industry and other needed services" (Chapter 3, HSFP 2009).

The increased capacity and capabilities provided by the additional MRI scanner will provide both greater options and improved diagnostic options for all Honolulu patients.

b) Need and Accessibility

The addition of a MRI scanner will respond to the need and accessibility of imaging services in the community by assuring timely care to patients. InVision's current MRI is at 100% capacity. The MRI will be located only 1 block from the Straub Clinic & Hospital's main facility – providing access to medical specialists if necessary - and within a 10 mile radius of several other major hospitals on Oahu. The addition of this service will not have any adverse impact on the need or accessibility of this service.

Additionally the proposed new 70 cm short bore 3T MRI will have the added benefit of being able to accommodate larger patients (up to 550 pounds) and provide additional comfort to those with claustrophobia. In Vision will continue to provide care to all residents of the area including: Medicare, Medicaid, QUEST and all underserved groups.

c) Quality of Service/Care

InVision is Medicare and Medicaid certified and will continue to comply with all State and Federal regulations. InVision is also accredited by the American College of Radiology. Diagnostic services will continue to be provided by board certified radiologists. InVision will continue to employ MRI technologists certified by the American Registry of Radiologic Technologists.

Quality of diagnostic services and subsequent care will be improved due to increased capacity, improved efficiencies, better accessibility, and enhanced scheduling flexibility achieved via the acquisition of a second MRI scanner on site.

d) Cost and Finances (include revenue/cost projections for the first and third year of operation)

The 2nd MRI is projected to have a positive financial performance on a go-forward basis beginning with 1,650 projected scans in year 1. By year 3, InVision expects to provide 2,000 scans with this additional unit. InVision is committed to optimal utilization of the MRI, including continued open access of the MRI to independent physicians, hospitals and other health care providers.

The financial projections are in "ATTACHMENT D". The project is cost-effective as it utilizes existing space, donated equipment, and SCH infrastructure and resources.

e) Relationship to the existing health care system

The project will not impact or change the relationship of service to the existing health care system as it currently is adding this additional unit to meet existing and projected demand. InVision's current MRI scanning volumes of 6,682 (annualized) exceed the SHPDA minimum threshold for expansion of an existing MRI unit of 3,200 per year

f) Availability of Resources.

InVision will be receiving 3rd party financing to pay for the capital costs related to the purchase and installation of the 2nd MRI. See "ATTACHMENT E" for quote sheet for leased financing items. InVision also has the financial, clinical staff and administrative support to operate and maintain the 2nd MRI including sufficient funds from operating capital to staff the service as needed. InVision will be hiring an additional MR Tech and a MR Tech Aid to support this addition of service. InVision expects no difficulty in hiring these positions by service installation date.

10. Eligibility to f Administrative re	ile for Administrative Review. This project is eligible to file for eview because: (Check all applicable)
agangantasa	It involves bed changes, which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000. \$I HLTH PLNG DEV. AGENCY
	It involves service changes which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.
	It is an acquisition of a health care facility or service, which will result in lower annual operating expenses for that facility, or service.
	It is a change of ownership, where the change is from one entity to another substantially related entity.
<u>_X</u>	It is an additional location of an existing service or facility.
X	The applicant believes it will not have a significant impact on the health care system.